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Area Director/330

DOE Mining Lease NM-B-1

Assistant Area Director (Administration)
Attention: Branch of Property and Supply

Our records show the N½N½ of Section 13, T. 13 N., R. 11 W., McKinley County, New Mexico, as being leased to George Warnock for uranium mining purposes. The lease was issued October 23, 1975, pursuant to uranium mining lease Sale No. 7 for a term of 10 years and as long thereafter as the minerals specified are produced in paying quantities.

The required approval of the mining plan was approved on June 28, 1976, by the Area Mining Supervisor, U.S.G.S., subject to obtaining an archaeological clearance which was approved on November 1, 1976-with exceptions to certain locations. To date, no production royalties have been paid for the landowner's benefit.

Mr. Warnock has requested authorization to negotiate a mining lease with the allottee in the SW4 of Section 18, T. 13 N., R. 10 W., NMM.P.M. The authority is in the process of being granted. We are awaiting a conference with the landowner prior as a preliminary step in the negotiation process.

Section 13, it would appear that control of the SW4 of Section 12 and NE4 of Section 14 via mining lease be necessary.

As to any exploration plans for Sections 3 and 11, Mr. Warnock should submit a drilling and exploration plan with a surface restoration and reclamation plan. If the exploration results indicate mining, then the mining plan should involve comments by the BIA and Navajo Tribe. The various Navajo permittees indicated must be contacted and arrangements made to compensate them for loss of use and for surface damages to the affected areas.

The above are recommendations of this office.

JACK KYSELAN

cc: ARPM/Minerals Chrono

300 M/F

330:TLYNCH:bjp:01/09/79a

United States Department of the Interior 330

BUREAU OF INDIAN AFFAIRS

Navajo Area Office P. O. Box 1060 Gallup, New Mexico 87301

IN REPLY REFER TO: Branch of Property and Supply

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Memorandum

To:

Assistant Area Director, Resources Management

Attn: Area Realty Officer

Superintendent, Eastern Navajo Agency

From:

Acting Kist. Area Director

Subject: DOE Mining Lease NM-B-1

Attached is copy of letter received from the Department of Energy regarding proposed expansion of mining lease NM-B-1 with George Warnock, Albuquerque, New Mexico. Please provide your comments and recommendations regarding the proposed expansion to the Area Branch of Property and Supply by December 31, 1979.

Attachments

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PEAL PIO

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Department of Energy P. O. Box 2567 Grand Junction, CO 81501

November 15, 1979

Mr. Donald Dodge, Area Director U. S. Bureau of Indian Affairs P. O. Box 1060 Gallup, New Mexico 87301

Subject: DOE Mining Lease NM-B-1

Dear Mr. Dodge:

You are probably aware that in 1974 this office, then part of the Atomic Energy Commission (AEC), awarded a mining lease, on the basis of competitive bids, to George Warnock, Albuquerque, New Mexico for the exploration for and mining of uranium located in Section 13, T 13 N, R 11 W, McKinley County, New Mexico (shown on the attached map). The Atomic Energy Commission acquired control of the mineral rights on this tract, and the lands shown in Sections 3 and 11, pursuant to Public Land Order No. 964. The surface is controlled by the Bureau of Indian Affairs (BIA) pursuant to Public Land Order 2198. BIA granted AEC a use permit (Contract No. NOO-C-1420-6386) for the period beginning June 12, 1974, to the termination of the lease.

The lessee commenced exploration in 1974 and mining in 1975 in accordance with AEC approved exploration and mining plans. Production initially was from surface or open pit mining and more recently from underground mining. To date approximately 120,000 tons of uranium ore have been produced and delivered to the United Nuclear-Homestake Partners mill at Grants. Reclamation of the open pits has proceeded in accordance with approved plans and will be completed in a short time.

In the early 1970's, when consideration was being given to leasing AEC withdrawn lands, it was determined that the lands in Sections 3 and 11 would be excluded from the lease offering. The reasoning at that time was that there was little or no indication of uranium mineralization in those sections and there was some concern that mining might disturb the few people residing on or near Section 11. An additional concern was the possibility of prehistoric Indian mounds in Sections 3 and 11.

Recently the lessee, Mr. Warnock, has asked us to consider enlarging his lease to include Section 11 because of the possible extension of uranium mineralization into that section from the NW^1_4 of Section 13. Were we to grant his request it would be his responsibility to obtain required exploration and mining permits, archeological clearances, etc. We are favorably inclined to grant the lessee's request because of his demonstrated capability to explore, develop and mine the rather lowgrade limestone deposits that other lessees might have abandoned as uneconomic. Whether any ore would be found in either Section 11 or 3 is conjecture at this stage but if ore does occur, it would be mineable only by underground operations which would minimize surface disturbance. Possibly ore located in Section 11 could be mined from openings on Section 13.

Our purpose in contacting you is to solicit your advice and recommendations regarding Mr. Warnock's request. Do you believe that BIA and the Navajo Nation would permit exploration in Sections 3 and 11 and, if uranium ore is discovered, would the lessee be permitted to mine?

We need to make a decision within the next few months because the ore reserves in Section 13 are being rapidly depleted. If it would help, especially if more information is needed, I would be pleased to have members of my staff meet with you whenever convenient to discuss this matter further.

Sincerely,

Donald L. Everhart Manager

Attachment: As noted

cc: John Azua, w/att. — George Warnock, w/att.



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offer			1	

Unit NM-B-I
Haystack Butte Area
McKinley County, New Mexico

PERMITTEE: Annie V. Mustache, C#6827	F-2.1 N 220			
TYPE PERMIT: Use Permit	DOC. NO. NOO-C-1420-7161			
LAND DESCRIP.: One acre tract of land within the SE/4 of section 13, Township 13				
North, Range 11, West, N.M.P.M.	NO. ACRES: 1			
PURPOSE: Temporary use of land for Homesite.				
PERMITTEE: Lucy Kee, C#87089				
TYPE PERMIT: Use Permit	Folder No: 339 DOC. NO. NOO-C-1420-7162			
LAND DESCRIP .: One acre tract of land within the S	SE/4 of section 13, Township 13			
North, Range 11 West, N.M.P.M.	NO. ACRES: 1			
PURPOSE: Temporary use of land for Homesite.	• +			
PERMITTEE: Department of Health, Education & Welfa	are			
TYPE PERMIT: Right of Way	DOC. NO.			
LAND DESCRIP .: Public Order 2198 Lands, Township 14 North, Range 18 West. Section				
N_2^1 , and Township 13 North, Range 11 West, section	190 ACRES:			
PURPOSE: Permission to survey and construct water	lines.			
PERMITTEE: George & Beth Nez				
TYPE PERMIT: Use Permit	DOC. NO. NOOC 1420 6864			
LAND DESCRIP .: SE/4 of Section 11, Township 13 No	rth, Range 11 West N.M.P.M.			
McKinley County, New Mexico	NO. ACRES: 1			
PURPOSE: Temporary homesite	<u> </u>			
PERMITTEE:				
TYPE PERMIT:				
LAND DESCRIP.:	•			
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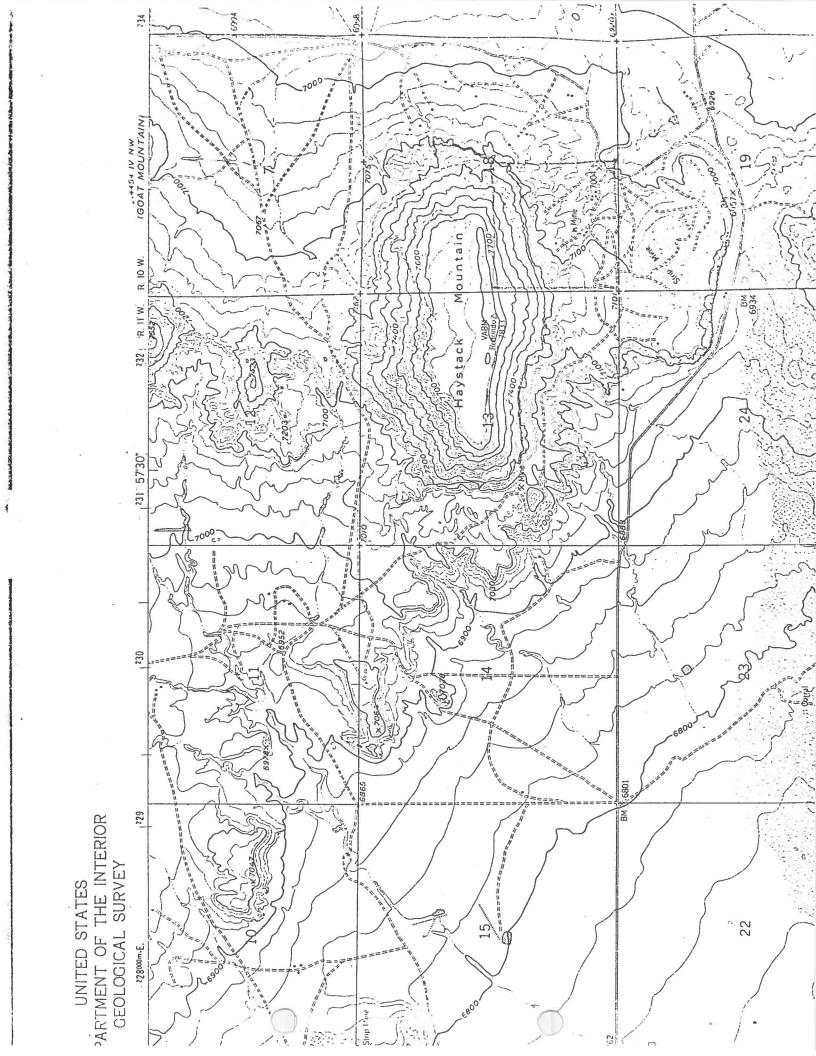
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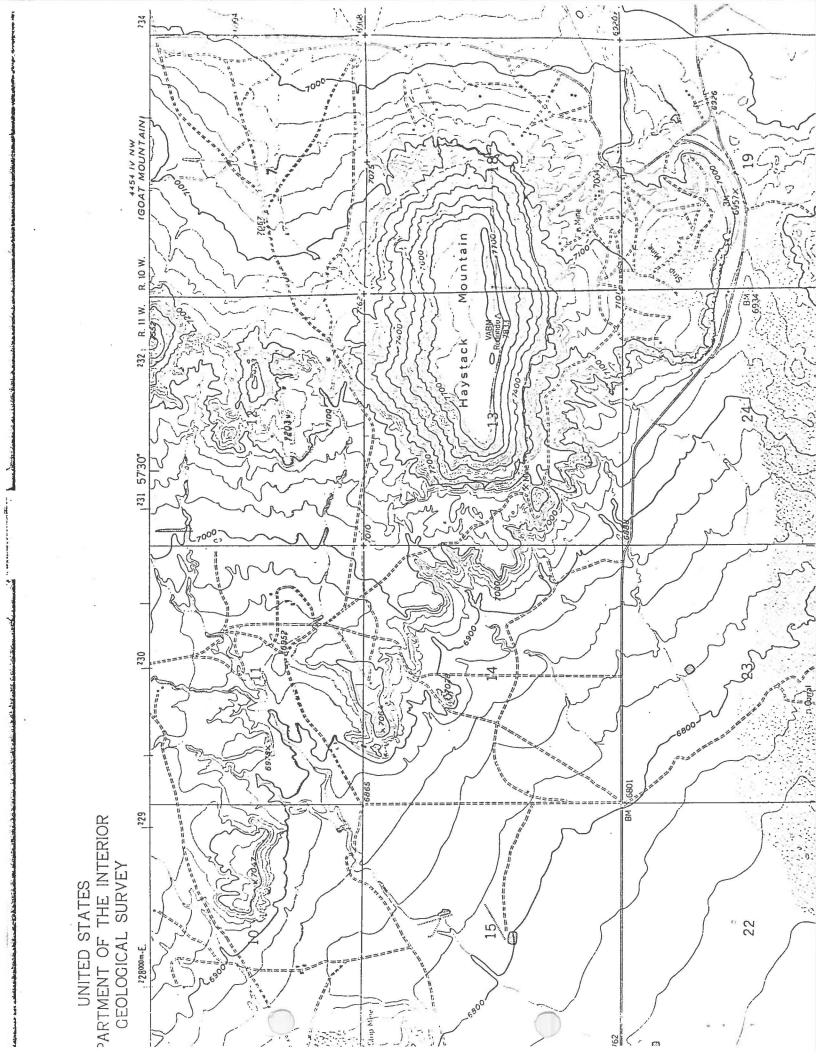
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SECTIONS:		8 5
GOV'T OWNED	7 8 9 10 -12	Sec.3,lots1and2,S½NE; andS½; Sec.11; Sec.13,S½NE¼,S½NW¼and SE¼.
LAND	192021222324	
TYPE PERMIT:U LAND DESCRIP.: _ Range 11 West N	SE_{4}^{1} and the S_{2}^{1} of NM-B-1 of section 13, Town. M.P.M. NO. ACRI	
PERMITTEE: Rober TYPE PERMIT: U LAND DESCRIP:: 1 North, Range 11		No: 305 No0-C-1420-5914 etion 11, Township 13 ES: 1
PERMITTEE: Joe TYPE PERMIT: Us	Vandever C#6839 & Bessie D. Vandever, C#863	96 No: 306 - <u>NOO-C-1420-6923</u>

13 North, Range 11 West, N.M.P.M.

PURPOSE: Temporary use of land for Homesite.





UNITED STATES 'ARTMENT OF THE INTERIOR GEOLOGICAL SURVEY 1454 IV NW IGOAT MOUNTAIN! 228000m-E. 1229 231 57'30" 232 | R. 11 W. R. 10 W. 234 7067 Strip Me Haystack Mountain 15 D..... BM 1,6801 22